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16 **UNITED STATES BANKRUPTCY COURT**

17 **DISTRICT OF NEVADA**

18 In re

19 CASH CLOUD, INC.,
20 dba COIN CLOUD,
21 Debtor.

22 Case No. BK-23-10423-mkn

23 Chapter 11

24 **DECLARATION OF
25 DANIEL AYALA IN SUPPORT OF
DEBTOR'S REPLY IN SUPPORT OF
EMERGENCY MOTION FOR ORDER
AUTHORIZING DEBTOR'S ENTRY INTO
INTERIM MANAGEMENT SERVICES
AGREEMENT PENDING APPROVAL OF
SALE OF DEBTOR'S ASSETS**

26 Hearing Date: June 28, 2023
27 Hearing Time: 10:30 a.m.

28 I, Daniel Ayala, declare as follows:

29 1. I am the Independent Director of Cash Cloud, Inc. dba Coin Cloud ("Debtor"), debtor
30 and debtor in possession in the above-captioned case (the "Chapter 11 Case").

31 2. Except as otherwise indicated herein, this Declaration is based upon my personal
32 knowledge. I am over the age of 18 and am mentally competent. If called upon to testify, I would
33 testify competently to the facts set forth in this Declaration.

1 3. I make this Declaration in support of *Reply* to the *Objection* [ECF No. 755] (the
 2 “Objection”) filed by CKDL Credit, LLC (the “DIP Lender”) to the Debtor’s *Emergency Motion for*
 3 *Order Authorizing Debtor’s Entry Into Interim Management Services Agreement Pending Approval*
 4 *of Sale of Debtor’s Assets* [ECF No. 710] (the “Motion”).¹

5 4. *First*, the Management Agreement is, of course, subject to Court approval (as
 6 evidenced by the Motion). Due to a precipitous drop in revenue, coupled with the impending asset
 7 sale, the Debtor closed its business on June 11, 2023, and shut down all digital currency machines
 8 (“DCMs”). The Debtor was not generating sufficient revenue to pay wages to its remaining skeletal
 9 staff or the current rent on any of the host lease agreements. As part of the sale, Heller Capital Group,
 10 LLC (the “Buyer”) intends to purchase approximately 1783 host lease agreements (the “Assumed
 11 Host Agreements”) by paying all cure amounts and assuming all liabilities going forward. Unless
 12 the Manager was able to quickly step in and fund ongoing operations, the value of the Assumed Host
 13 Agreements would have plummeted due to the extended down time and disruption in service at these
 14 locations. Accordingly, the Debtor is seeking Court approval of the Management Agreement today,
 15 authorizing the Debtor to enter into and perform under the Management Agreement as of June 15,
 16 2023.

17 5. *Second*, there is no dispute that all cash in the DCMs as of June 11, 2023, is property
 18 of the Estate. The Debtor is making every effort to collect all of the cash, but the process will take
 19 some time, given that there are over 3500 locations. The Debtor has sent armored carriers to collect
 20 the cash from as many field locations as possible (concentrating on those with higher cash
 21 balances). The Buyer intends to consolidate and service the machines in a select group of central
 22 warehouse locations over the coming months. To the extent that the Debtor is unable to collect the
 23 cash through its armored carriers in the field before the Buyer picks the machines up, the Debtor will
 24 be able to collect the cash from those machines in the warehouse. A copy of a draft workflow chart
 25 regarding collection of the Debtor’s cash is attached hereto as **Exhibit 1**.

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28 ¹ Capitalized terms not defined herein shall have the meanings ascribed to them in the Motion.

1 6. Finally, as counsel for the Debtor relayed to counsel for the DIP Lender, the Debtor
2 intends to pay off the DIP Loan from the cash collections and anticipates being able to do so within
3 the next few weeks.

I declare, under penalty of perjury of the laws of the United States of America, that the foregoing statements are true and correct to the best of my knowledge, information and belief.

6 Executed this 26th day of June 2023.

/s/Daniel Ayala

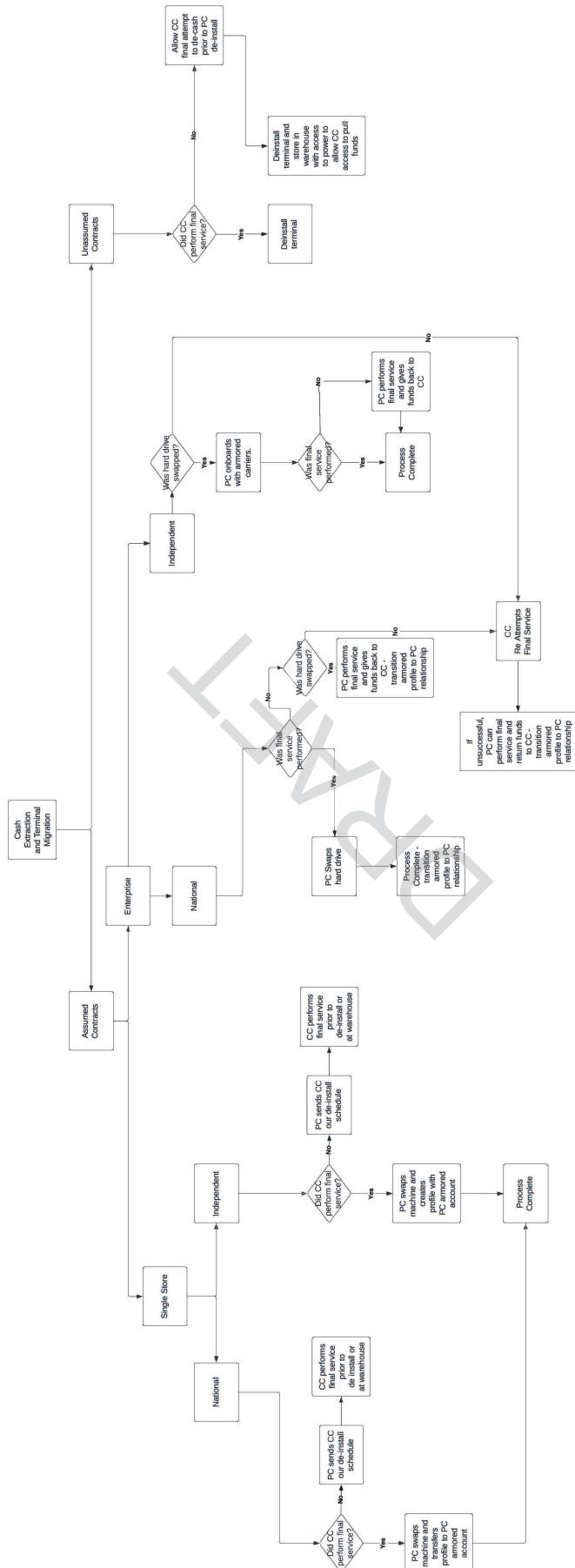
Daniel Ayala

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EXHIBIT 1

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Note: CC refers to the Debtor

Note: PC refers to the Buyer

Note: National refers to a national armored carrier service
Note: Independent refers to a regional or boutique armored carrier service

Note: Final service refers to the Behler's final collection of cash at each location.

NON-DE-INSTALLATION: De-install schedule refers to an indication of timing with respect to the Buver removing / servicing the kiosk to use in its own operations. Typically, this will involve removal of the kiosk from connection of cash at each location

Note: Delorean Scientific refers to an indication or timing with respect to the buyer removing / securing the machine to a central warehouse location to perform software updates or maintenance.

Note: This process is a draft and subject to change.

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